Remedy Through Paradox? Constructions of Internal Legitimacy in a Publicly Discredited Organization

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Abstract

This paper examines how members of publicly discredited organizations discursively construct senses of internal legitimacy. Drawing on a case study of the Norwegian Labor and Welfare Administration – an organization which has been subject to lengthy and persistent public criticism – four paradoxical relations between discourses are identified and critically examined: acknowledgement/denial, voice/silence, unity/fragmentation, and image/substance. Based on the findings, three arguments are made: First, talk by members of discredited organizations about their organization, their organizational selves, and the criticism offers crucial resources for the construction of internal legitimacy. Second, constructions of internal legitimacy require members to relate to and navigate between paradoxes. Third, despite the complexity they impose, paradoxes provide members of discredited organizations with significant room for managing their internal legitimacy.

Keywords: legitimacy, organizational identity, paradox, crisis management, discourse, public reform.

In this paper I focus on the discursive processes through which members of publicly discredited organizations restore conceptions of the legitimacy of their organization. Members of organizations more or less constantly engage in constructing senses of themselves and their organization, and these processes are most often intensified in the wake of external threats or challenges (Frandsen, 2012; Ravasi & Schultz, 2006). At the same time, studies have demonstrated a myriad of discursive legitimation processes through which organizations and their members create a collective conception of the appropriateness of their organization and its actions (Suddaby & Greenwood, 2005; Veil, Sellnow, & Petrun, 2012).

In particular, the focus is on the construction of internal legitimacy – i.e., the normative validation of the organization by its members (Brown & Toyoki, 2013) – and how such legitimacy is talked and written in and out of existence through references to public discrediting. The processes through which internal legitimacy are constituted, challenged, and navigated have been subject to considerably less attention than has external legitimacy, i.e., as perceived and reacted to by stakeholders in the organization's environment (Roper & Shoenberger-Orgad, 2011; Zimmerman & Zeitz, 2002). On this basis, the objective of this paper is to provide an account of the validation and navigation of legitimacy through talk by members about their organization and their organizational selves.

The insights presented here are drawn from empirical data gathered from the Norwegian Labor and Welfare Administration (NAV), an organization that has been subject to massive public scrutiny ever since its launch in 2006. In the discursive analysis, I explore the notion of paradox; i.e., "contradictory yet interrelated elements – elements that may seem logical in isolation but absurd and irrational when appearing simultaneously" (Lewis, 2000, p. 760). Specifically, I illustrate four sets of paradoxical discursive relationships in the construction of NAV's legitimacy by members of the organization: acknowledgement/denial,

voice/silence, unity/fragmentation, and image/substance. These relationships reveal the multitude of discursive resources available to organizational members as they attempt to construct favorable senses of legitimacy. At the same time, they reveal inherent challenges and difficulties for the members because of the mixed messages, contradictions, and inconsistencies produced by them.

The paper adds to understandings of organizational legitimacy in three ways. First, I argue that talk by members of discredited organizations about their organization, their organizational selves, and the critique provides crucial resources through which internal legitimacy is constructed. Second, I argue that these discursive processes of restoring legitimacy are inherently paradoxical, and therefore require members to relate to and navigate between incompatible features. Third, I argue that although the paradoxes impose considerable complexity for members of discredited organizations, they also provide significant room for managing internal legitimacy. While the specific discourses outlined here are restricted to this case, similar paradoxical relationships are likely to be central in the discursive processes taking place among members of publicly discredited organizations more broadly.

Construction of Internal Legitimacy

Legitimacy is a central concept in the social as well as organizational sciences (Deephouse & Suchman, 2008; Dowling & Pfeffer, 1975). The most frequently cited definition in management and organization studies is that of Suchman (1995), who defines it as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (p. 574). According to Suchman, legitimacy may rest on pragmatic (the self-interest of relevant stakeholders), moral (normative approval and validation), and cognitive (the level of comprehensibility) bases. Overall, these (and other) bases represent a vast

theoretical foundation for addressing the social mechanisms that constrain, construct, and empower organizational actors.

The focus in this paper is on internal legitimacy, which comprises the "identity-related discursive processes by which participants support and/or challenge the notional appropriateness of a regime" (Brown & Toyoki, 2013, p. 877). As Brown and Toyoki assert, most scholarly attention has been aimed at external legitimacy, that is at the societal support of organizations and how organizations and their members (re)act in accordance with wider structural perceptions and changes (e.g., Deephouse & Suchman, 2008; Zimmerman & Zeitz, 2002). This preoccupation with external legitimacy and its management has resulted in limited understandings of how organizational legitimacy is managed by members and played out in talk about themselves and their organization.

Internal legitimacy directs attention to how organizational members negotiate and provide meanings for their experiences of the organization. It is thus closely connected to organizational identity, i.e., to ''what members perceive, feel and think about their organization'' (Hatch & Schultz, 1997, p. 357). Organizational identity provides a lens through which it is possible to conceptualize members' meanings and constructions regarding the organization as well as their part of the organization. This is distinct from the self-identity of members – i.e., how they perceive and articulate themselves (Beech, 2008) – although the two are related in various ways (for a discussion see Alvesson & Empson, 2008; Kreiner, Hollensbe, & Sheep, 2006b). Internal legitimacy is thus constituted and negotiated alongside organizational identity, as the members author themselves and the organization affirms or contests their perceptions of the legitimacy of the organization (Brown & Toyoki, 2013).

Members of an organization are to various degrees engaged in processes of authoring organizational legitimacy, not only for their external environment, but also for colleagues and/or themselves. Reflexivity, overall, is a key part of such authoring; through it, the

members weave together interpretations of their place in the organization and in a broader social context (Holland, 1999). Such processes are constituted primarily (but not solely) with discursive regimes through which members author versions of their organization, both individually and through interaction with others. Here, discourses – i.e., textual representations or verbal utterances from particular perspectives or viewpoints (Fairclough, 2003) – are key resources through which members assign meaning to internal legitimacy.

The construction of internal legitimacy is likely to be intensified when members experience events or face images that do not conform to their conceptions of the organization and/or themselves as organizational members (Drori & Honig, 2013; Dutton & Dukerich, 1991). Such forms of legitimacy management involve processes of sensemaking (Weick, 1995), as members – both individually and collectively – grapple with and manage these discrepancies. They also involve various forms of sensegiving as they seek to influence the perceptions of others (Gioia & Chittipeddi, 1991). Thus, a dialectic between efforts to make sense of discrepancies and to articulate responses in plausible manners – such as accounts, excuses and apologies – are crucial for organizations and their members in restoring legitimacy (Benoit, 1995)

Two perspectives are central in understandings of how organizational members (re)construct and restore senses of legitimacy. One perspective has involved the presumption of a strong coherence between internal and external legitimacy; in other words, that members will seek to reduce any discrepancy between their perceptions of the organization (internal legitimacy) and their perceptions of the external image (external legitimacy) (Elsbach & Kramer, 1996; Ravasi & Schultz, 2006). In the case of negative events or behaviors, such coherence can be achieved by constructing senses of internal legitimacy that are more in line with the perceived external legitimacy, i.e. how members perceive outsiders to perceive the organization (Dutton & Dukerich, 1991).

Another perspective presumes that there is a disconnection or differentiation between internal and external legitimacy. This perspective provides scope for a myriad of legitimacy constructions that correspond with different or overlapping organizational identities or with members' ambivalent or conflicting perceptions of the organization (Lemmergaard & Muhr, 2011; Price, Gioia, & Corley, 2008). For instance, the observation that employees are likely to operate at a "cynical distance" with negative external images (Frandsen, 2012) illustrates the decoupling of internal and external legitimacy constructions. On this basis, members may draw on or mobilize a plethora of different discursive resources. This renders internal legitimacy as something of a "discursive bricolage," – i.e., a combination of different discourses – which may shift or change in accordance with how members create and weave together articulations of the organization (Clarke, Brown, & Hope-Hailey, 2009; Humphreys & Brown, 2002).

On the whole, scholars of organizational legitimation seem to take it for granted that legitimacy processes are by and large externally constituted and directed, for instance in how the organization communicates and relates to its environment or responds to the media (Deephouse & Suchman, 2008; Rindova, Pollock, & Hayward, 2006). This emphasis has downplayed the internal validation of the organization's legitimacy among members of the organization. Since emphasis has also been directed primarily at the discursive characteristics or results of organizational legitimation, it is important for the purposes of this paper to note that we know little of the underlying *internal organizational processes* of restoring legitimacy, including the ambiguities and inconsistencies they may entail.

On the basis of the above insight, the paper continues by elaborating on the central discourses through which members of NAV have sought to re-establish internal legitimacy by focusing in particular on the paradoxical or inconsistent features and underlying mechanisms of these discourses. Paradoxes are crucial for organizational legitimacy because they both

advance and constrain understandings and actions (Costas, 2012; Hampden-Turner, 1981; Jay, 2013; Sonpar, Pazzaglia, & Kornijenko, 2010). This has been evident, for instance, when Domino's Pizza had to make substantial responses to unsubstantiated claims made on YouTube through hoaxes and rumors (Veil et al., 2012). Overall, therefore, the notion of paradox provides an avenue for understanding the discursive processes of legitimacy.

Research Design

Context: Public Criticism of NAV

NAV was launched in 2006 as the result of one of the most comprehensive structural reforms in recent Norwegian administrative history: a merger of the employment and national insurance administrations combined with more formal collaboration with the local government social services administration (Alm Andreassen & Fossestøl, 2011; Askim, Christensen, Fimreite, & Lægreid, 2010). The overarching aims behind this merger included higher vocational rehabilitation rates and fewer people on welfare benefits, enhanced user satisfaction and interaction (e.g., through customization of services to specific user needs), and a more coherent employment and welfare administration. NAV thus showcases post-New Public Management thinking, which is commonly characterized by holistic public services that are integrated across sectors and domains (Askim et al., 2010; Pollitt & Bouckaert, 2011).

NAV has faced immense public criticism ever since it was launched. This criticism has broadly revolved around issues such as slow or ineffective administration of welfare payments (arrears), inadequate competence of front- and back-office consultants, inadequate follow-up of welfare users, and struggles embedded in co-operation between the state and the municipalities. In October 2009, a report by the Officer of the Auditor General of Norway went as far as to claim that NAV "lacked control" of the money it was supposed to govern. Because of this criticism, NAV has a very poor reputation in the public domain.

Although criticism of NAV and its services has emerged in various media – e.g. political discussions, blogs, internal forums within NAV, academic discussions – the news media have been central. NAV is by and large a mediatized organization; i.e. it has a central place in the attention of the news media, and the media have great power in defining notions of proper conduct and expectations (Rindova et al., 2006). For example, headlines such as "NAV abuses the citizens' rights" (*Aftenposten*, national daily newspaper, 16 September 2010) and "Trouble and offence in NAV's services" (*Dagbladet*, tabloid newspaper, 30 March, 2011) briefly illustrate how NAV has been represented in the media. Although NAV has tried to alter such public images through its external communication, these negative representations have been relatively consistent over the years since its launch.

The media criticism has not resulted from NAV's poor service performance alone. NAV's institutional position as perhaps the most publicly visible provider of welfare services in Norway has provided a vivid dramaturgy for the public scrutiny (see Burke, 1966). Accordingly, an underlying message of a massive, faceless system operating against the little person has been central in the media representations. Furthermore, in 2012, a major television broadcaster in Norway (*TV Norge*) aired a situational comedy entitled "NAV," playing on the idea of a vast bureaucratic system and incompetent public servants. Overall, these examples illustrate the kinds of public discourses revolving around NAV, and thus provide a background context for understanding legitimation efforts among the members of NAV.

Data Collection

Empirical data have been drawn from different sources. The present analysis draws most prominently on interviews with 24 NAV members conducted in 2011: regional managers (4), central administration staff (3), local NAV office managers (4), communications managers in the central administration (4) and communications managers in the regional administrations (4), and front-line personnel (5). About two thirds of the

interviewees were based in the capital region and the rest in three neighboring regions; 11 were female and 13 were male. The interviewees were recruited through a snowballing method. This typically involved starting with the communication officers and management and then selecting other relevant interviewees in cooperation with them. Although the interviews lasted between one and two hours, most lasted around one hour and a half. All interviews were recorded and later transcribed.

The data were originally collected as part of a study of remedial identity work among members of NAV. In accordance with the focus on identity constructions by members, the interviews were based on a semi-structured interview guide which broadly focused on the members' understanding of the critique of NAV, their reflections on NAV and their role therein as a result of the critique, and on actions taken to remedy their understanding of NAV. Legitimacy emerged as a central theme during the interviews and in later analysis of them; in other words, the respondents talked extensively about their conceptions of NAV's legitimacy and the various activities they had undertaken to regain what they perceived as the organization's lost legitimacy.

In addition, archival data such as news media texts, press releases, internal magazines, and transcribed speeches by the top management to members of the organization provided background and context for the interviews. The archival documents were also useful as they provided some balance to the self-reporting in the interviews by exemplifying various forms of text that "naturally occurred" (Silverman, 2011) in NAV. Media texts provided a balance to internal meaning-making by illustrating public understandings and articulations of the criticism directed against NAV.

This data material, although initially collected for a study of identity work, provides a rare opportunity for constructions of legitimacy among organizational members in a publicly discredited organization. Although the interviews were conducted in 2011, the aim in this

paper is not to provide an up-to-date account of the situation, but rather to reread and re-analyze the data material in order to develop theoretical insight on the legitimacy constructions of the members. The idea has been to identify specific themes and categories across the whole material rather than to deliberately select specific interviews or interview sections that would suit the purposes of this study.

Data Analysis

The process of data analysis proceeded through a mix of pre-understandings, readings of data, and developing of ideas and surprises. It was not based on a strict grounded theory approach, because I already had some theoretical understandings and ideas about the matters at hand, including how members articulated NAV's legitimacy. Moreover, I did not aim to test theory. The analysis emerged instead through abductive interplay between theory and data in which I constantly sought to develop and refine the analytical categories in light of the readings and interpretations of the data. This process involved the utilization of what Alvesson and Kärreman (2007: 1273) label "interpretative repertoires." In other words, the data analysis involved observing surprising empirical events, and in the event that they could not be linked explicitly to the extant literature, explaining them through theoretical work.

I began by searching for descriptions of legitimacy in the interviews and archival data. I characterized the descriptions as broadly encompassing normative evaluations of NAV in light of the critique. This analysis involved a focus on the articulation and formulations of legitimacy, including the mobilized discourses (Fairclough, 2003; Vaara & Monin, 2010). These efforts produced a number of text examples that I developed and systematized into broad thematic categories through comparison with extant theories of remedial organizational behavior. These categories included "perceptions of the critique," "perceptions of NAV," "response strategies," and "articulations of organizational identity."

As part of the development of these broad categories, I noted how the articulations of members seemed to be rooted in binaries and inconsistencies. For instance, "perceptions of the critique" involved a duality between acceptance and denial, "response strategies" involved voice as well as silence, and "organizational identity" involved both strong and relatively weak perceptions of identity. In this sense, the dualities revealed tensions and struggles in the processes of mobilizing and articulating specific discourses of legitimacy.

Rather than to regard the difficulties involved in maintaining internal legitimacy in NAV as methodological problems or inconsistencies in the data, I sought to develop themes that took these problems seriously and thus engaged in "oppositional thinking" (Poole & Van de Ven, 1989). Thus, I focused on the central paradoxes between the discourses. I sought to move beyond simplified and polarized notions of the members' articulations and to explore the tensions at the boundary that revealed themselves in mixed messages and contradictions.

As a result, I eventually settled on four sets of paradoxical relationships between the discourses: acknowledgment/denial, publicity/silence, unity/fragmentation, and image/substance. I have sought to present data that illuminate how these paradoxes were manifested and experienced in articulations of NAV's legitimacy by members of the organization. Although they were derived from a rather dispersed set of interviews, i.e. with members from different parts of NAV's organization, I believe they illustrate generic tensions and contradictions among members of publicly discredited organizations.

Paradoxical Discourses in Constructions of Internal Legitimacy

Acknowledgment and Denial

Acknowledgement. A central discourse involved acknowledging the premises of the critique. NAV was often depicted as an object in a state of flux or as a work-in-progress. In this discourse, a rhetoric of "dark past, bright future" was central, constructed in part around

the desired future images of NAV's societal role (Gioia & Thomas, 1996). For instance, several responses were concentrated around its "start-up problems" or "reform symptoms," or it "being on track" within the massive organizational welfare project. Further, as explained by a regional manager:

> The massive migrations […] and the centralization and relocation of people, as well as all the competence gaps that take place in the wake of that have probably resulted in deteriorations of our procedural qualities – for some time. But I guess it's just the way it is: you have to dip pretty far down before you can begin crawling back up again. […] You make so many investments at the same time affecting the production, and this remains constant over a very long time. (Regional manager #A)

This focus on the liminality between what had been and what would be was present not only in the members' reflections on NAV and themselves, but also in externally directed communications and Public Relations efforts. Especially members of the communications staff highlighted that NAV's rhetoric of explicitly acknowledging the critique and looking ahead was targeted not primarily at external stakeholders, but at NAV's employees, as a means of upholding a favorable self-image. Hence, this discourse was central in the construction of internal legitimacy (Drori & Honig, 2013).

The discourse was also mobilized in those responses that considered the public critique as unjust or misdirected. In particular, the notion that the critique was "premature" appeared to be a central premise of the discourse. The following statement by a member of the central administrative staff (#C) is an example: "We should be criticized when we do not see the possibilities, when we make mistakes, or when we do not have sufficient knowledge. But […] it is necessary to consider whether this is a fair or a premature verdict."

At the same time, there was also much emphasis on the *positive* features of NAV. For instance, much emphasis in the interviews was put on the beneficial feature of NAV's

performance (e.g. the users that did get the services they were entitled to) and its central societal/welfare role. This observation questions the extent to which the members were trying to project a more favorable image of themselves and the organization and perhaps suggests that they were trying to emphasize and construct positive meaning around their specific work identity (Cameron, Dutton, & Quinn, 2003).

Denial. A discourse which conflicted with that of acknowledgement involved denying or downplaying the critique. Here denial does not mean a rejection of the fundamental problems related, for instance, to the production processes (arrears) or the organizational integration issues, of which all appeared keenly aware. Rather, denial refers to perceptions that the problems mentioned in the critique were based on misconceptions on the part of the public. Many accounts emphasized the "false expectations" existing around NAV, thus attributing many of the problems to over-eager politicians (with their own agendas) and sensational news media. Others attributed the problems to factors beyond their control, such as ineffective political governance or broader economic structures – most notably the financial crisis. The following is a typical example of such articulations:

> Now they [the politicians] had found the gates of heaven. It was supposed to be holistic services (laughs). It was supposed to be the end of the travelling, mismanagement, everything for the users, from day one. Hence, the reform was oversold politically. […] Things that worked before suddenly didn't anymore because we did not have the necessary IT support in some areas. They [the politicians] had not developed procedures that were good enough, and it was ill-prepared and thought out in many areas (Local NAV office manager #A)

Within this discourse, NAV members often seemed eager to play the role of the victim. This was upheld by conceptions of themselves as "to be blamed by virtue of being members of NAV," as a central communications officer (#D) formulated it, and hence an easy target for

journalists and political actors. Moreover, many sought to construct an image of the "real" NAV in contrast to what were regarded as illusory images circulating in public discussions. For instance, a local front-line employee (#B) argued the following: "The negative framings in the public discussions, I don't acknowledge them, and I don't think others around here [the counselors] do either."

These two opposing discourses of acknowledgement and denial illustrate the different ways in which members perceived NAV in response to the critique. However, NAV faced a steady stream of negative stories in the news media and elsewhere. This made it difficult to construct an internal legitimacy that was congruent with the external images.

Voice and Silence

Voice. The question of how to respond to the critique was clearly a key challenge for members of the organization. One such discourse involved the exertion of voice (Hirschman, 1970), i.e., how to counter the negative images of NAV with positive ones of their own. Many of the respondents, especially at the regional units, sought to counter the critique by distinctively tailoring and targeting responses to the media. The communication staff in these units generally had close contacts with journalists in local newspapers and sought to alter negative public perceptions of NAV by "selling" positive stories about the effects of the work done by the organization. The argument was that because NAV is a vast and heterogeneous organization, there was more to it than the relatively few negative stories disseminated by the newspapers. The following comment exemplifies this:

> We notice [this positivity] also in the press. […] From reporters and journalists that have previously been, like, rude and very (pause). They can even say that NN, "this is not going to end well; this is nothing to be proud of." But now I sense that they are changing; like when journalists from NRK [public news organization] say "NN, can't you come over here and tell us what you are doing – we want to do a story on that."

> And that is excellent press food, right? That's when you see that the system is working. […] And our employees now ask for key-chains with the NAV logo printed on them. And NAV t-shirts. A couple of years back no one asked about them. (Regional communication manager #A)

This discourse reflects NAV's early slogans – "we provide people with opportunities" and "one door in" – with the latter highlighting the "one-stop-shop"-features associated with the new administrative and organizational model, as users only had to deal with one office (and one case administrator) regarding their inquiries. In relation to its launch in 2006, NAV initiated a large-scale marketing campaign aimed to increase public awareness and alter user perceptions of these services. However, as these images were simply not able to conform to the "real life stories" circulating around NAV and its services, as a member of NAV's central administration (#B) put it, they were eventually absorbed by the negative public appraisals. Another administrator formulated it as follows:

> We had an idea quite early that we could go out and say "well, these things take time, don't expect too much of us." We tried, but it was forgotten in a couple of days. And then we were also criticized because we had not managed to downplay expectations well enough. Yes, we have tried, but only reality can do this properly, in a way – it is the stories about how [NAV] functions in real life. (Central administrator #A)

Silence. There was also a strong silence discourse in the material. The term silent did not involve a complete absence of voice among NAV's employees, but broad attention to what was said and when, and a general refusal to respond to the critique in public. The key logic underlying this discourse was that it was difficult – if not impossible – to benefit from responding to the critique in public, as any response increased the risk of further negative attention. This is exemplified in the following:

> If I wrote an op-ed, for instance, in the newspaper, then I knew that this would always generate at least two responses from citizens. And as a result I would have to answer those, which would then generate another round of responses. And that's how things work. So, let's stop this, right, it can't continue. Let them complain. As long as there are no factual errors, we don't reply. […] If I wrote an article about a person with multiple sclerosis who got a job thanks to NAV, you can bet that somebody who didn't get what he or she wanted is going to tell the newspaper, or in the worst case say that in reality this [system] doesn't work, just look at me. (Regional communication manager #C)

The emphasis on silence did not involve less focus on the critique and on NAV's problems. Rather, it involved a distinction between how NAV was represented in public and how members perceived NAV's legitimacy. In particular, the "just look at me" factor from the above quote was central in reflections of many interviewees, meaning that regardless of the users with positive experiences from NAV, there would always be users with negative stories that could be used as proof of the contrary. Another NAV employee argued as follows:

> I'm sure a lot of good things happened in NAV, but we kept our mouth shut about it. […] There was no point in telling about this one user that had gotten a new life thanks to us. He (sic) existed, but we kept our mouth shut. (Central communication manager #D)

This paradox between voice and silence has pointed to significant internal dissension in NAV. For instance, one of the central communication managers (#C) described the voice strategy as representing a "tyranny of happy cases" – a situation in which the need for identifying and communicating NAV's positive work will always be met with a certain degree of skepticism and increasingly unrealistic expectations of what NAV can deliver in the quality of its public services. Hence, such discrepancies are difficult, not least because there is a

danger of "protesting too much" (Ashforth & Gibbs, 1988) and thus doing more damage than good by exerting voice (Sonpar et al., 2010).

Despite the prominence of the silence discourse, NAV has more recently appeared to endorse a more offensive media strategy. The idea, as we were told by members of the central communication staff, has been to engage more "constructively and proactively" in public debates and to "minimize misunderstandings" of NAV. Accordingly, NAV has sought to respond to the critique of unhappy users in new arenas such as Facebook and Twitter. Such responses have not, however, generally diminished the critique against NAV.

Unity and Fragmentation

Unity. Another discursive conflict revolved around members' construction of NAV as a coherent organizational entity. Several of our interviewees asked the following rhetorical question: "well, what is NAV *really*?" I noticed the presence of a unity discourse, which enabled members of NAV to emphasize that they were one organization and would stand united through the critique. In this sense, members would seek to locate the common denominator(s) and use them in creating coherence and belonging (Gioia, Schultz, & Corley, 2000).

One response involved (over-)emphasizing pride in NAV as an organization and as a social and political project. The following is an example of this:

> I sincerely think our internal reputation is better than our reputation in the public. I think people are proud to work in this agency. Many, even if they are tired, live according to our vision, which is to provide people with opportunities. (Regional communications manager #C)

Several reported how they and others had been ashamed to tell people that they worked in NAV, thus signaling ambivalence in their identification with the organization (Kreiner,

Ashforth, & Sluss, 2006a). For many of these, the notion of unity with other employees in NAV, or with their profession or professional role in NAV, had been central in (re-)establishing senses of internal legitimacy. For example, a regional communication manager (#A) used the metaphor of "building a cathedral" in seeking to give people meaning in their work despite the criticism. As he reflected: "I think many are cutting stone. They cannot see the big picture in this vast organization – like, what is my role, what is this stone for? They simply can't comprehend it."

Further, many of NAV's public responses were not mobilized to rebut the critique per se. Rather, they also operated as means to protect the NAV employees for the sake of the organization as a whole. After all, as many of the front-line workers highlighted, they had become the *face* of the discredited organization:

> I'm working in front all the time, and because of that I'm the face of NAV. And then I think I should do my best to create a welcoming and pleasant atmosphere [for the users]. However, that's not always possible to do. (Front line employee #E)

Fragmentation. I also noticed a discourse rooted in assumptions that NAV consists of different, fragmented sub-organizations from which it is easy to distance oneself. The following description of NAV is an example of this:

> Often we sit down here and they [the users] come and yell at us, but it has to do with the administration unit. However, people don't understand that […]. For them, NAV is simply NAV. Yet, I'm located miles away from that unit. (Front line employee #D)

This discourse of fragmentation illustrates an ambiguity that is likely to face members of a discredited organization; namely, which part of the organization is discredited, and, correspondingly, which members should feel discredited? This ambiguity was often brought up by managers in highlighting some of the difficulties in the internal and external

communication. Many emphasized that there was no distinct culture in NAV, as in the following example: "We have doctors, lawyers, economists, engineers, and social workers. We just don't seem to find the common denominator we can all agree about" (Central communications manager #D).

The discourse also involved issues regarding NAV's geographical fragmentation. NAV has offices in all of Norway's municipalities and the regional administrations are broadly autonomous units with respect to their communication strategy. Along these lines, a common result of such perceptions of fragmentation was that many, when speaking of NAV and especially the positive elements, would talk only about their own part of the organization, about their divisional or geographical location. The following is an example:

> There have been periods when it [the critique] has been heavier to bear, since there are constantly new [negative] cases about us in the media. But it makes things easier to bear when we sit here and actually feel like "but it's not like that here at our place." Especially during periods where certain counties had large arrears on unemployment allowances, and [our county] helped them out, then it wasn't very difficult to say that you worked in NAV after all – as long as you worked here (laughs). (Regional manager #D)

Thus, in one sense, this fragmentation appears to have impeded threats to their perceptions of NAV's legitimacy, given that there have been no distinct organizational identities to be damaged. However, in another sense, as noted earlier, the fragmentation has also inevitably involved different communication strategies, different messages, different media relations, and, as highlighted by many, a different organization underneath. This illustrates some of the difficulties regarding senses of unity versus fragmentation among members of NAV, given that various forms of legitimation were not perceived as necessary or relevant by everyone.

Image and Substance

Image. The paradox of substance and image has been subject to longstanding debate in studies of organizations, and not least in the context of how members make sense of themselves and their organization (Alvesson, 1990). The question points for example to the kinds of images (public) organizations could and should craft of themselves to impact different audiences (e.g., Wæraas, Byrkjeflot, & Angell, 2011).

The material shows that, given different expectations and perceptions of NAV's problems, members often had to navigate between the substantial activities and the image(s) that were conveyed to different audiences. As a vast and mediatized public organization, NAV has to communicate with a complex assembly of public stakeholders. Accordingly, a discourse associated with its public image(s) was central in members' responses. This did not involve focusing on a singular, positive image. Instead, revising the legitimacy of NAV involved playing with different images to different audiences, both externally and internally (Price et al., 2008).

To politicians and ultimately the Parliament (i.e. NAV's ultimate authority), some interviewees underscored an image that downplayed the quality of NAV's performance. Some put this issue quite bluntly, as in the following example:

> It's something that all administrations are struggling with, I think, it's very difficult to get the politicians to down-prioritize something. That's why we are satisfied when we are half way there (laughs). For instance, we report underperformance to the Ministry of Labour. But what does that mean? Have you or have you not achieved your goal? But underperformance could mean that you are half way there. Maybe that you should have had spaces for 100 people, but have only managed 50. Then you have in fact not reached your target, but through some rhetorical twists you accept some slack. (Central communication manager #A)

At the same time, a different image was depicted internally and upwards in the hierarchy. Many emphasized that the idea was not to downplay performance, but to convey an image of control, hard work, and a "we can do this" mentality. A member of the central administrative staff explained it as follows:

> We had an episode around Christmas, when the computer system, which processes unemployment benefits, was struggling with its capacity. […] So our strategy and our message was to say that yes, we can do this. But internally, this we-can-do-it-message was overshadowed. The critique overshadowed what we were trying to say, namely that internally people are working their asses off, and that it was a very demanding situation for us. (Central administrator #C)

Substance. Alongside these different images, members also had to bear in mind the actual substance, related most importantly to its service production. NAV's performance had been increasingly bracketed down into specific quality measures. Moreover, their effects were visible and potentially devastating; for instance, in cases where users did not receive their welfare money on time or where case proceedings lasted far longer than expected. Thus, a discourse of substance involved taking a strong "hands-on" approach to what NAV was supposed to do, as exemplified in the following:

> The motto quickly became that "right benefits at the right time" was the main priority. "Now we need to get the money out!" You can imagine how it is to be without income and have no money to pay your bills. […] So you need to remember that benefits from NAV are the same as income from work. So simply prioritize to administer the cases quickly, get the money out, and follow-up of people on sick leave, helping people to get a job, etc., must come second. (Central administrator #A)

In other words, the "reality" around NAV would often catch up with the images, especially in terms of the impact it would have in the form of (additional) public critique. As a

communication manager (#B) formulated it: "We have to build user reputation through improved services, not communicative work. So a lot of our restorative work has been concentrated internally – on how our internal activities can contribute to improving our services."

Finally, messages of the actual services and the production measures intended to improve them were often kept deliberately out of public discussions. The idea, as many would explain, was to maintain production while at the same time conform to the different expectations in public. This appeared to be a key factor in reducing the tensions between image(s) and substance, as exemplified in the following quote:

> Our reputation is created in the meeting with the user. So our delivery… (pause). If we deliver well, we get an ok reputation; if we deliver poorly, we get a bad reputation. It sounds banal, but it's important. The best for NAV is to have a correct reputation – that people experience a NAV which actually corresponds with what NAV can deliver. That they don't experience us as better or worse than what we really are. (Regional manager #C)

Conclusion and Implications

I have in this paper focused on organizational legitimacy in terms of how it is constructed in the internal discourses of its members (Brown & Toyoki, 2013). In particular, I have elucidated four key paradoxical relationships between discourses: Acknowledgment/denial, voice/silence, unity/fragmentation, and image/substance. These paradoxes demonstrate central difficulties for members of disgraced organizations in maintaining or recreating favorable notions of the organization.

These paradoxical relationships add to understandings of the discursive processes of organizational legitimation (Suddaby & Greenwood, 2005; Vaara & Monin, 2010; Veil et al.,

2012) by showing how senses of internal legitimacy are established in organizational members' talk about themselves, their organization, and the perceived illegitimacy of the organization. In these processes, discourses provide specific frames around which members may articulate favorable – or less disfavorable – meanings of themselves and the organization. In contrast from external legitimacy accounts, which may often be based on specific discourses or a set of relatively coherent discourses (Vaara, Tienari, & Laurila, 2006), the internal legitimacy constructions found in this study were based on several, paradoxical discourses. Such paradoxes were evident, for instance, as acknowledgement of the critique allowed members to accept their disgraced or stigmatized organizational selves; whereas, it at the same time was conflicting with senses of the critique as unjust or false. Likewise, whereas exerting voice would allow for some adjustment of the negative public images, it would contrast with laying low and waiting until the negative public attention had passed.

The study suggests that navigation between paradoxical discourses is key elements in the processes whereby members of discredited organizations construct internal legitimacy. This notion of members navigating paradoxes helps us to further understand the micro-level processes and dynamics of internal legitimacy, and in particular the challenges they entail for organizational members in making sense of the organization and their organizational selves (Brown & Toyoki, 2013; Drori & Honig, 2013). The navigation can be understood in contrast from instances where a single discourse dominates the internal legitimacy constructions, or where members cynically distance themselves from the critique and not relate to it to any significant extent (Frandsen, 2012).

What these findings indicate more broadly is that members of disgraced or stigmatized organizations are able to create senses of internal legitimacy, and thus to manage the complexity imposed by the disgrace in manners that do not necessarily involve efforts to alter or oppose the public images. The findings thus connect with other recent analyses at the

individual level that have shown how disgraced or stigmatized individuals such as prisoners have considerable scope for handling diverse and fragile understandings of themselves (Brown & Toyoki, 2013). In the case of the NAV members, the handling of diverse and fragile understandings was in part done by integrating bits and pieces from the negative images with perceptions of organizational selves; for instance, by acknowledging parts of the critique and downplaying or dismissing others, or by relating to as well as distancing from other members of NAV (e.g., with the front line service workers who are typically centrals targets for the critique).

This ability to integrate public images and self-perceptions in the legitimacy constructions suggests that internal legitimacy is not fundamentally dependent on external legitimacy (Frandsen, 2012). Rather, internal legitimacy may be loosely coupled or even decoupled from efforts to improve or change the organization's legitimacy as perceived by the general public. The ability to integrate also suggests that members of disgraced organizations may identify *and* dis-identify with the critique at the same time, and in so doing experiencing considerable ambivalence with regards to their perceptions of their organization and their organizational selves (Breit, 2014; Kreiner et al., 2006a). In managing this ambivalence, members are likely to selectively draw on or combine specific discourses or discursive resources (Clarke et al., 2009). This selection or combination of discourses may further reproduce the existence of paradoxical discourses because none of the discourses are completely dominant and none are completely downplayed or dismissed.

A further theoretical observation revolves around legitimacy management in public organizations. There is little agreement on the extent to which public organizations need to manage their legitimacy and reputation towards various stakeholders (e.g., Wæraas et al., 2011). Much of this uncertainty relies in generic differences between public and private organizations; for instance, in contrast with private organizations, public organizations can be

regarded as "depressive" because they have to constantly navigate among more or less insoluble problems and contradictions and thus can never be successful in a strict commercial meaning of the term (Brunsson, 2003). Yet, the central role of legitimacy constructions among members of NAV suggests that public organizations need to adhere to and manage their legitimacy; in other words, senses of legitimacy are crucial means through which members of public organizations assign meaning to their organization and to their organizational selves. In fact, one could even suggest that although public organizations like NAV do not fundamentally depend on constructing external legitimacy, they seem more dependent on a favorable *internal* legitimacy, relative to external legitimacy, because of the central role of the employees in the quality and implementation of public welfare services.

It is, however, important to bear in mind that the identified discourses have been produced in a specific organizational context. NAV is itself the product of a complex merger and reorganization process – in fact, the largest in Norwegian administrative history. As part of the merger process, professional and organizational boundaries have been moved and reshaped (Fossestøl, Alm Andreassen, Breit, & Klemsdal, forthcoming). This has influenced not only the production of welfare services, but also the members' perceptions of NAV and themselves. In addition, the size of NAV and the number of professions and occupations it incorporates undoubtedly affects members' perceptions of identity and legitimacy. Nevertheless, similar paradoxical relationships would seem likely features in publicly discredited organizations more broadly, both in the public and in the private domain.

Future studies could benefit from drawing on the findings from this study and exploring them across a broader context. More specifically, based on a broader data set, studies could focus more systematically on the underlying mechanisms of internal legitimacy constructions as well as establish some causal relations vis-à-vis related concepts such as organizational identities. For instance, which external or internal mechanisms are likely to

intensify and/or change constructions of organizational legitimacy? Given that internal legitimacy is embedded in members' discourses about their organization, how is it possible to manage internal legitimacy? Moreover, how does it relate to external legitimation? Such questions would seem worthy of further interest.

The above conclusions based on the analysis may, however, have been biased by the sample. This bias may relate to the kinds of employees who were willing to participate in the study; for instance, they may have been the most vocal or emotional. It is also possible to question the interpretations made here on the basis that the categories of discourses and paradoxes were somehow provoked into existence in the analysis. I have sought to limit this bias in the analysis, but there is nevertheless a risk related to the validity of the findings. Thus, future studies should elaborate the focus on paradoxes in organizations, especially in terms of how they materialize and are resolved discursively. In addition, organizations would benefit from increased understanding of the positive and innovative aspects of paradox, i.e., how they could be actively incorporated into decision-making and strategizing.

Finally, the study also has managerial implications. Overall, it is important for managers to be aware of the discursive constituencies of both external and internal legitimacy. This and other recent studies have highlighted the central role of talk by members about themselves and their organization in constructions of internal legitimacy. It would seem beneficial for management to nurture such forms of legitimacy talk, both formally and informally. Moreover, it seems evident that public administrations like NAV will be at the center of public and news media attention, and management will thus be required to deal with questions of internal legitimacy on a regular basis rather than through temporary crisis management. Lastly, the study raises questions about the extent to which legitimacy – both internally and externally – can be strategically and strictly managed, given the paradoxical features entailed in such work.

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